

# CBPA Weekly Update- May 28, 2021

*June 1, 2021*

## **CALIFORNIA COMMERCIAL REAL ESTATE SUMMIT – REGISTER NOW**

The California Commercial Real Estate Summit (CCRES) will be held from 1:00 pm to 4:00 pm via Zoom on June 8, 2021. This event is the one time of year that industry leaders from all sectors of the commercial, industrial, and retail real estate industry gather and discuss the issues that impact the way we do business in California. The summit gives you an opportunity to hear from state-wide elected officials, leaders in the State legislature, and industry leaders. This year we will be joined by Lieutenant Governor Eleni Kounalakis, Senate pro Tempore Atkins, Speaker Rendon, and John Myers the Sacramento Bureau Chief of the LA Times.

CBPA understands that the Commercial Real Estate community needs to stay active and involved because legislation and policy that affects us all will still be marching forward, whether we are meeting in person or not. The opportunity to hear from our elected officials every year during this event is vital. Now more than ever, we need to make sure the business community is sitting at the table with the Legislature and Administration to help guide decision making.

You must register in advance to attend. After registering, you will receive a confirmation email containing information about joining the webinar.

[CLICK HERE](#) to register!

Sponsorship opportunities are available! Please contact Melissa Stevens at 916-443-4676 or [mstevens@cbpa.com](mailto:mstevens@cbpa.com) for more information.

## **ENERGY COMMISSION HEARING UPDATE**

The California Energy Commission spent three days this week conducting hearings to go over proposed changes to their energy efficiency standards.

The CEC wants final comments submitted no later than June 21st as they plan to adopt updated standards at their August 11th Business Meeting.

If approved by the Building Standards Commission in December, these new standards will apply to permit applications submitted to the local building department on or after January 1, 2023.

Industry will be doing a coalition letter seeking several technical amendments. We expect to file that written submittal during the second week of June. Of note in this update is a modest solar and battery storage mandate for some commercial occupancies.

CEC staff is also proposing administrative changes to the rules governing community solar farms.

Although the full document is massive document with lots of technical changes, we are sharing broadly in order to get as much feedback as possible. We hope you will send to your own experts and consultants and provide feedback on issues of concern.

[Express Terms 2022 Energy Code, Title 24 Parts 1 and 6](#)

Members of our industry must get involved and participate in this process. We need financial support to continue to engage technical experts needed to help identify, analyze, and advise the staffs of the CEC and the Building Standards Commission. If you can help chip in for the cause, please contact [rexhime@cbpa.com](mailto:rexhime@cbpa.com) .

This is a hugely important process. Don't wait until after the codes are adopted to realize their impact. Help us engage now to help advise the Administration so we can avoid expensive building and energy code that has low or no benefit from being adopted.

### **SCAQMD BILL OPPOSED BY OVER 100 GROUPS**

A large coalition of over 100 groups representing a diverse array of employers, has banded together to oppose SB 342 by Senator Lena Gonzalez (D-Long Beach). The bill attempts to expand the South Coast Air Quality Management District (SCAQMD) Governing Board from 13 to 15 members by adding two board members from the Environmental Justice (EJ) community.

SB 342 has also been recently amended to include a Labor Advisory Panel, “to provide feedback and input on all district permitting, rules, regulations, and planning issues that have the potential to impact the workforce in the South Coast Air Basin”.

Although we do think the board needs to consider impacts on jobs and the environment they also need to listen to the regulated entities.

According to our coalition SB 342 would weaken local control, sets a dangerous precedent, and take regional authority away from local elected officials who are accountable to their constituents. The bill would give state-appointed non-elected representatives one-third of the seats on a regional board.

SB 342 attacks the competence of local leaders on a board that is made up of a diverse group of mayors, board of supervisors, and city council members all elected by voters.

Finally, SCAQMD already has an Environmental Justice Advisory Group with a board member functioning as chair.

This bill shoots way past the mark and we are urging legislators to vote “no.”

### **VAX FOR THE WIN”**

Get vaccinated get paid. That is the message being sent out those who still have an aversion to the COVID-19 vaccine in order to encourage more Californians to get the shot.

The State of California has just over a 50% vaccination rate against the COVID-19 virus, and it wants to see that rise to 70%. So, the Governor announced the “Vax for the Win,” program which will provide people that get the vaccine with gift cards and lottery style cash drawings.

\$100 will be given out in the form of \$50 gift cards to the next 2 million newly-vaccinated Californians. \$16.5 million will go toward cash drawings in which all fully vaccinated Californians will be eligible for prizes.

[Click here](#) for more information, and please share with anyone you know that has been hesitant to get the vaccine. We need the economy to open on June 15 – and stay open.

## **CALIFORNIA WILL “REOPEN” JUNE 15**

California is preparing to get back to normal. On June 15, capacity and distancing restrictions will be lifted for most businesses and activities. Large-scale indoor events will have vaccination or negative test requirements for attendees through at least October 1.

[Click here](#) to learn more about what this means for the state, your business, and your friends and family.

## WHY ITS NOT EASY TO BUILD AFFORDABLE HOUSING IN CA

Long-time Sacramento Bee columnist, and astute observer of the crazy politics and policies that make-up this state, Dan Walters takes a crack at explaining why building affordable housing is so difficult in this state:

*While running for governor three years ago, Gavin Newsom foolishly promised that if elected California would solve its housing crisis by building 3.5 million units by 2025.*

*Newsom later downgraded the pledge by calling it an ‘aspirational goal.’ Nevertheless, he continued to flog the issue, devoting virtually all of his 2020 State of the State to the housing shortage and homelessness, and pledging anew to attack them forthrightly and effectively.*

*Punctuating that approach, the state Department of Housing and Community Development, armed with new regulatory authority, ramped up its pressure on local governments to zone enough land to meet its much-higher housing quotas.*

*Newsom’s dramatic emphasis on housing in 2020 was almost immediately set aside when the COVID-19 pandemic erupted, but his latest and much-revised state budget returns to the issue, declaring — accurately — that the ‘pandemic further exacerbated the statewide housing shortage and impacted housing affordability.’*

*The budget proposes to spend \$9.3 billion in state and federal funds on ‘additional and expanded rental assistance, foreclosure prevention, and down payment assistance investments.’ ...*

[Click here](#) to read the full story.

## **COMMERCIAL EVICTION BILL AMENDED – NEEDS FURTHER CHANGES**

Two weeks ago, AB 255 (Muratsuchi) was amended to address several concerns expressed by our industry along with a 26 member coalition of various business association. The amendments removed some of the more egregious language that would allow one business to unilaterally decide not to pay a valid contractual expense.

The bill now allows a business to use COVID-19 economic hardship as an “affirmative defense” as part of an unlawful detainer proceeding.

[Click here](#) to read the AB 255 current coalition letter.

Although the amendments did address some concerns in the bill, and we appreciate the work the committee staff and the author’s office put into it, there remain issues that need to be addressed.

Our coalition continues to agree with the author that the state mandated COVID-19 shelter-in-place orders have had negative impact on businesses of all types, but we fundamentally do not agree with the approach this bill takes to address the issue. All other relief measures provide state and/or federal funds, which the state has received in the billions. AB 255 contains no state funding assistance and instead shifts the burden to assist from one business from another.

The state's own COVID-19 Small Business Relief Grant (SB 87) allows small businesses the ability to receive state assistance while prioritizing their own fiscal needs. With more funding that program can immediately help the same businesses targeted in AB 255 without creating negative unintended consequences. And since that program, the Governor has announced BILLIONS more in tax relief and direct funding for small businesses. These programs will accomplish what AB 255 seeks to do without a complicated court proceeding.

We think the Governor and Legislature's approach is the most appropriate and best way for the state to assist the businesses having issues related the COVID economic closures; not inserting new rules into existing business contracts and court proceedings.

However, we do understand that our industry can be helpful pushing through this and getting the state back open as soon as possible, so we have offered amendments that will address several technical issues with the bill. If these amendments are accepted our coalition will remove its opposition to the bill.

See the story below about the all the funding going to small businesses for relief from this pandemic. AB 255 is completely unnecessary in the face of the historic and unprecedented levels of direct government support.

We will keep you posted and thank you for your help!

**AB 701, WAREHOUSE DISTRIBUTION CENTERS – PASSES ASSEMBLY**

This morning AB 701 (Gonzalez), which would create new productivity standards, private right of action, increase PAGA litigation and create more duplicative regulations for Warehouse Distribution Centers, passed the Assembly Floor.

While we agree with the overall notion that employee health and safety is important, we disagree with this one size fits all idea that treats every warehouse the same. There is a broad coalition against AB 701 including the CalChamber, California Trucking Association, California Manufacturers & Technology Association, California Retailers Association, California Farm Bureau, and many others. While employee safety is highlighted as the focus in this legislation, many of the issues being discussed are already regulated by Cal/OSHA and other local governments. Last year's version of this bill, AB 3056 (Gonzalez) did not make the CalChamber's JOB KILLER list, but due to this year's broadly cast net, duplicative nature, along with the potential to drastically increase litigation, the Chamber deemed it a JOB KILLER this year.

AB 701 will be moving on to the Senate, where our coalition efforts will continue. Stay tuned for updates in the coming weeks.